

Senate File 358 - Enrolled

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SENATE FILE 358

AN ACT

ESTABLISHING PRELICENSING AND CONTINUING EDUCATION
REQUIREMENTS FOR USED MOTOR VEHICLE DEALERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 322.4, Code 2007, is amended by adding
the following new subsection:

NEW SUBSECTION. 8A. If the applicant is applying for a
used motor vehicle dealer license, certification that the
applicant has met the educational requirements for licensure
under section 322.7A. The certification may be transmitted to
the department by the education provider in electronic format.

Sec. 2. Section 322.7, subsection 4, Code 2007, is amended
to read as follows:

4. The motor vehicle dealer license provided for in this
chapter shall be renewed upon application in the form and
content prescribed by the department and upon payment of the
required fee. A used motor vehicle dealer license shall not
be renewed for an applicant who is subject to continuing
education requirements until the licensee certifies completion
of the educational requirements for license renewal under
section 322.7A. The certification may be transmitted to the
department by the education provider in electronic format. A
licensee shall have the month of expiration and the month
after the month of expiration to renew the license. A person
who fails to renew a license by the end of this time period
and desires to hold a license shall file a new license
application and pay the required fee.

Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER
EDUCATION PROGRAM.

1. An applicant for a license as a used motor vehicle
dealer shall complete a minimum of eight hours of prelicensing
education program courses pursuant to this section prior to
submitting an application to the department.

2. A person seeking renewal of a used motor vehicle dealer
license shall complete a minimum of five hours of continuing
education program courses over a two-year period pursuant to
this section prior to submitting an application for license
renewal. However, an applicant for renewal of a used motor
vehicle dealer license who has met the prelicensing education
requirement under subsection 1 within the preceding twelve
months is exempt from the continuing education requirement for
license renewal.

3. To meet the requirements of this section, at least one
individual who is associated with the used motor vehicle
dealer as an owner, principal, corporate officer, director, or
member or partner of a limited liability company or limited
liability partnership shall complete the education program
courses.

4. The Iowa independent automobile dealers association, in
consultation with the state department of transportation, the
department of education, the attorney general, and the Iowa
association of community college trustees, shall develop the
prelicensing and continuing education course curricula for the
used motor vehicle dealer education program, which shall
include but not be limited to examination of federal and state
laws applicable to the motor vehicle industry and federal and
state regulations pertaining to used motor vehicle dealers.
The education program courses shall be provided by community
colleges as defined in section 260C.2 or by the Iowa
independent automobile dealers association in conjunction with
a community college. The department of education shall adopt
rules establishing reasonable fees to be charged for the
prelicensing education courses and the continuing education
courses.

5. A community college shall issue a certificate to each
person who successfully completes the prelicensing education
program or a continuing education program under this section.
The current certificate of completion, or a copy of the
certificate, shall be posted conspicuously in the principal

3 4 office of the licensee.
3 5 6. The provisions of this section apply to all used motor
3 6 vehicle dealers, including but not limited to individuals,
3 7 corporations, and partnerships, except for the following:
3 8 a. Motor vehicle rental companies having a national
3 9 franchise.
3 10 b. National motor vehicle auction companies.
3 11 c. Wholesale dealer-only auction companies.
3 12 d. Used car dealerships owned by a franchise motor vehicle
3 13 dealer.
3 14 e. Banks, credit unions, and savings and loan
3 15 associations.
3 16 7. Each community college providing used motor vehicle
3 17 dealer education program courses shall transmit a report on
3 18 the program annually by December 31 to the director of
3 19 transportation, the director of the department of education,
3 20 the attorney general, and the president of the Iowa
3 21 association of community college trustees.
3 22 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM ==
3 23 NOTICE. The department of transportation shall provide
3 24 reasonable notice to current used motor vehicle dealer
3 25 licensees of the need to meet continuing education
3 26 requirements as a condition for future license renewal.
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3 31 JOHN P. KIBBIE
3 32 President of the Senate
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3 35 PATRICK J. MURPHY
4 1 Speaker of the House
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4 3 I hereby certify that this bill originated in the Senate and
4 4 is known as Senate File 358, Eighty-second General Assembly.
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4 7 _____
4 8 MICHAEL E. MARSHALL
4 9 Secretary of the Senate

4 10 Approved _____, 2007
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4 13 _____
4 14 CHESTER J. CULVER
4 15 Governor